

110TH CONGRESS
2D SESSION

H. R. 6004

To provide for the financing of high-speed rail infrastructure, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 8, 2008

Mr. OBERSTAR (for himself, Mr. MICA, Ms. CORRINE BROWN of Florida, and Mr. SHUSTER) introduced the following bill; which was referred to the Committee on Transportation and Infrastructure, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To provide for the financing of high-speed rail infrastructure, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Rail Infrastructure De-
5 velopment and Expansion Act for the 21st Century”.

1 **SEC. 2. HIGH-SPEED INTERCITY RAIL FACILITY BONDS.**

2 (a) AMENDMENT.—Chapter 261 of title 49, United
3 States Code, is amended by adding at the end the fol-
4 lowing new section:

5 **“§ 26106. High-speed rail infrastructure bonds**

6 “(a) DESIGNATION.—The Secretary may designate
7 bonds for purposes of subsection (f) or section 54A of the
8 Internal Revenue Code of 1986 if—

9 “(1) the bonds are to be issued by—

10 “(A) a State, if the entire railroad pas-
11 senger transportation corridor containing the
12 infrastructure project to be financed is within
13 the State;

14 “(B) 1 or more of the States that have en-
15 tered into an agreement or an interstate com-
16 pact consented to by Congress under section
17 410(a) of Public Law 105–134 (49 U.S.C
18 24101 nt); or

19 “(C) an agreement or an interstate com-
20 pact described in subparagraph (B);

21 “(2) the bonds are for the purpose of financ-
22 ing—

23 “(A) projects that make a substantial con-
24 tribution to providing the infrastructure and
25 equipment required to complete a high-speed
26 rail transportation corridor (including projects

1 for the acquisition, financing, or refinancing of
2 equipment and other capital improvements, in-
3 cluding the introduction of new high-speed tech-
4 nologies such as magnetic levitation systems,
5 track or signal improvements, the elimination of
6 grade crossings, development of intermodal fa-
7 cilities, improvement of train speeds or safety,
8 or both, and station rehabilitation or construc-
9 tion), but only if the Secretary determines that
10 the projects are part of a viable and comprehen-
11 sive high-speed rail transportation corridor de-
12 sign for intercity passenger service, including a
13 design for minimally operable segments of a
14 corridor designated under section 104(d)(2) of
15 title 23, United States Code; or

16 “(B) projects for the Alaska Railroad;

17 “(3) for a railroad passenger transportation
18 corridor design that includes the use of rights-of-way
19 owned by a freight railroad, a written agreement ex-
20 ists between the applicant and the freight railroad
21 regarding such use and ownership, including com-
22 pensation for such use and assurances regarding the
23 adequacy of infrastructure capacity to accommodate
24 both existing and future freight and passenger oper-
25 ations, and including an assurance by the freight

1 railroad that collective bargaining agreements with
2 the freight railroad's employees (including terms
3 regulating the contracting of work) shall remain in
4 full force and effect according to their terms for
5 work performed by the freight railroad on such rail-
6 road passenger transportation corridor;

7 “(4) the corridor design eliminates existing rail-
8 way-highway grade crossings that the Secretary de-
9 termines would impede high-speed rail operations;

10 “(5) the applicant agrees to comply with—

11 “(A) the standards of section 24312, as in
12 effect on September 1, 2008, with respect to
13 the project in the same manner that the Na-
14 tional Railroad Passenger Corporation is re-
15 quired to comply with such standards for con-
16 struction work financed under an agreement
17 made under section 24308(a); and

18 “(B) the protective arrangements estab-
19 lished under section 504 of the Railroad Revi-
20 talization and Regulatory Reform Act of 1976
21 (45 U.S.C. 836) with respect to employees af-
22 fected by actions taken in connection with the
23 project to be financed by the bond; and

24 “(6) the applicant agrees not to pay the prin-
25 cipal or interest on the bonds using funds derived di-

1 rectly or indirectly from the Highway Trust Fund,
2 except as permitted by law as of the date of the en-
3 actment of this section.

4 “(b) BOND AMOUNT LIMITATION.—

5 “(1) IN GENERAL.—The amount of bonds des-
6 ignated under this section may not exceed—

7 “(A) in the case of subsection (f) bonds,
8 \$1,200,000,000 for each of the fiscal years
9 2009 through 2018; and

10 “(B) in the case of section 54A bonds,
11 \$1,200,000,000 for each of the fiscal years
12 2009 through 2018.

13 “(2) CARRYOVER OF UNUSED LIMITATION.—If
14 for any fiscal year the limitation amount under sub-
15 paragraph (A) or (B) of paragraph (1) exceeds—

16 “(A) with respect to subparagraph (A) of
17 paragraph (1), the amount of subsection (f)
18 bonds issued during such year; or

19 “(B) with respect to subparagraph (B) of
20 paragraph (1), the amount of section 54A
21 bonds issued during such year,

22 the limitation amount under subparagraph (A) or
23 (B) of paragraph (1), as the case may be, for the
24 following fiscal year (through fiscal year 2023) shall
25 be increased by the amount of such excess.

1 “(c) PREFERENCE.—The Secretary shall give pref-
2 erence to the designation under this section of bonds for
3 projects—

4 “(1) to be funded through a combination of
5 subsection (f) bonds and section 54A bonds;

6 “(2) which propose to link rail passenger serv-
7 ice with other modes of transportation;

8 “(3) expected to have a significant impact on
9 air traffic congestion;

10 “(4) expected to also improve commuter rail op-
11 erations;

12 “(5) where all environmental work has already
13 been completed and the project is ready to com-
14 mence; or

15 “(6) that have received financial commitments
16 and other support of State and local governments.

17 “(d) TIMELY DISPOSITION OF APPLICATION.—The
18 Secretary shall grant or deny a requested designation
19 within 9 months after receipt of an application.

20 “(e) ANNUAL REPORTS.—

21 “(1) FROM ISSUER OF BONDS.—The issuer of
22 bonds designated under subsection (a) shall report
23 annually to the Secretary regarding the terms of
24 outstanding designated bonds and the progress made
25 with respect to the project financed by the bonds.

1 “(2) FROM SECRETARY.—The Secretary, in
2 consultation with the Secretary of the Treasury,
3 shall transmit to the Congress an annual report
4 which includes—

5 “(A) reports received under paragraph (1);
6 and

7 “(B) an assessment of the progress made
8 toward completion of high-speed rail transpor-
9 tation corridors resulting from projects financed
10 by bonds designated under subsection (a).

11 “(f) TAX TREATMENT OF SUBSECTION (f) BONDS.—

12 “(1) EXCLUSION FROM GROSS INCOME.—The
13 interest on a bond designated by the Secretary
14 under subsection (a) for purposes of this subsection
15 shall be excluded from gross income under section
16 103 of the Internal Revenue Code of 1986, notwith-
17 standing section 149(c) of such Code.

18 “(2) EXEMPTION FROM VOLUME CAP.—For
19 purposes of section 146 of such Code, a bond des-
20 ignated by the Secretary under subsection (a) for
21 purposes of this subsection shall be considered to be
22 exempt from the volume cap of the issuing authority
23 in the same manner as bonds listed in subsection (g)
24 of such section 146.

1 “(g) REFINANCING RULES.—Bonds designated by
2 the Secretary under subsection (a) may be issued for refi-
3 nancing projects only if the indebtedness being refinanced
4 (including any obligation directly or indirectly refinanced
5 by such indebtedness) was originally incurred by the
6 issuer—

7 “(1) after the date of the enactment of this sec-
8 tion;

9 “(2) for a term of not more than 3 years;

10 “(3) to finance projects described in subsection
11 (a)(2); and

12 “(4) in anticipation of being refinanced with
13 proceeds of a bond designated under subsection (a).

14 “(h) PROVISIONS REGARDING HIGH-SPEED RAIL
15 SERVICE.—

16 “(1) STATUS AS EMPLOYER OR CARRIER.—Any
17 entity providing railroad transportation (within the
18 meaning of section 20102) that begins operations
19 after the date of the enactment of this section and
20 that uses property acquired pursuant to this section
21 (except as provided in subsection (a)(2)(B)), shall be
22 considered an employer for purposes of the Railroad
23 Retirement Act of 1974 (45 U.S.C. 231 et seq.) and
24 considered a carrier for purposes of the Railway
25 Labor Act (45 U.S.C. 151 et seq.).

1 “(2) COLLECTIVE BARGAINING AGREEMENT.—

2 Any entity providing high-speed intercity passenger
3 railroad transportation (within the meaning of sec-
4 tion 20102) that begins operations after the date of
5 enactment of this section on a project funded in
6 whole or in part by bonds designated under sub-
7 section (a), and replaces intercity rail passenger
8 service that was provided by another entity as of the
9 date of enactment of this section, shall enter into an
10 agreement with the authorized bargaining agent or
11 agents for employees of the predecessor provider
12 that—

13 “(A) gives each employee of the prede-
14 cessor provider priority in hiring according to
15 the employee’s seniority on the predecessor pro-
16 vider for each position with the replacing entity
17 that is in the employee’s craft or class and is
18 available within three years after the termi-
19 nation of the service being replaced;

20 “(B) establishes a procedure for notifying
21 such an employee of such positions;

22 “(C) establishes a procedure for such an
23 employee to apply for such positions; and

24 “(D) establishes rates of pay, rules, and
25 working conditions.

1 “(3) IMMEDIATE REPLACEMENT OF EXISTING
2 RAIL PASSENGER SERVICE.—

3 “(A) NEGOTIATIONS.—If the replacement
4 of preexisting intercity rail passenger service oc-
5 curs concurrent with or within a reasonable
6 amount of time before the commencement of
7 the replacing entity’s high-speed rail passenger
8 service, the replacing entity shall give written
9 notice of its plan to replace existing rail pas-
10 senger service to the authorized collective bar-
11 gaining agent or agents for the employees of
12 the predecessor provider at least 90 days prior
13 to the date it plans to commence service. With-
14 in 5 days after the date of receipt of such writ-
15 ten notice, negotiations between the replacing
16 entity and the collective bargaining agent or
17 agents for the employees of the predecessor pro-
18 vider shall commence for the purpose of reach-
19 ing agreement with respect to all matters set
20 forth in paragraph (2)(A)–(D). The negotia-
21 tions shall continue for 30 days or until an
22 agreement is reached, whichever is sooner. If at
23 the end of 30 days the parties have not entered
24 into an agreement with respect to all such mat-
25 ters, the unresolved issues shall be submitted

1 for arbitration in accordance with the procedure
2 set forth in subparagraph (B).

3 “(B) ARBITRATION.—If an agreement has
4 not been entered into with respect to all mat-
5 ters set forth in paragraph (2)(A)–(D) as pro-
6 vided in subparagraph (A) of this paragraph,
7 the parties shall select an arbitrator. If the par-
8 ties are unable to agree upon the selection of
9 such arbitrator within 5 days, either or both
10 parties shall notify the National Mediation
11 Board, which shall provide a list of seven arbi-
12 trators with experience in arbitrating rail labor
13 protection disputes. Within 5 days after such
14 notification, the parties shall alternately strike
15 names from the list until only one name re-
16 mains, and that person shall serve as the neu-
17 tral arbitrator. Within 45 days after selection of
18 the arbitrator, the arbitrator shall conduct a
19 hearing on the dispute and shall render a deci-
20 sion with respect to the unresolved issues set
21 forth in paragraph (2)(A)–(D). This decision
22 shall be final, binding, and conclusive upon the
23 parties. The salary and expenses of the arbi-
24 trator shall be borne equally by the parties; all

1 other expenses shall be paid by the party incur-
2 ring them.

3 “(C) SERVICE COMMENCEMENT.—A re-
4 placing entity under this paragraph shall com-
5 mence service only after an agreement is en-
6 tered into with respect to the matters set forth
7 in paragraph (2)(A)–(D) or the decision of the
8 arbitrator has been rendered.

9 “(4) SUBSEQUENT REPLACEMENT OF EXISTING
10 RAIL PASSENGER SERVICE.—If the replacement of
11 existing rail passenger service takes place within 3
12 years after the replacing entity commences high-
13 speed rail passenger service, the replacing entity and
14 the collective bargaining agent or agents for the em-
15 ployees of the predecessor provider shall enter into
16 an agreement with respect to the matters set forth
17 in paragraph (2)(A)–(D). If the parties have not en-
18 tered into an agreement with respect to all such
19 matters within 60 days after the date on which the
20 replacing entity replaces the predecessor provider,
21 the parties shall select an arbitrator using the proce-
22 dures set forth in paragraph (3)(B), who shall, with-
23 in 20 days after the commencement of the arbitra-
24 tion, conduct a hearing and decide all unresolved

1 issues. This decision shall be final, binding, and con-
 2 clusive upon the parties.

3 “(i) ISSUANCE OF REGULATIONS.—Not later than 6
 4 months after the date of the enactment of this section,
 5 the Secretary shall issue regulations for carrying out this
 6 section.

7 “(j) DEFINITIONS.—For purposes of this section—

8 “(1) SUBSECTION (f) BOND.—The term ‘sub-
 9 section (f) bond’ means a bond designated by the
 10 Secretary under subsection (a) for purposes of sub-
 11 section (f).

12 “(2) SECTION 54A BOND.—The term ‘section
 13 54A bond’ means a bond designated by the Sec-
 14 retary under subsection (a) for purposes of section
 15 54A of the Internal Revenue Code of 1986 (relating
 16 to credit to holders of qualified high-speed rail infra-
 17 structure bonds).”.

18 (b) TABLE OF SECTIONS AMENDMENT.—The table of
 19 sections of chapter 261 of title 49, United States Code,
 20 is amended by adding after the item relating to section
 21 26105 the following new item:

“26106. High-speed rail infrastructure bonds.”.

22 **SEC. 3. TAX CREDIT TO HOLDERS OF QUALIFIED HIGH-**
 23 **SPEED RAIL INFRASTRUCTURE BONDS.**

24 (a) IN GENERAL.—Part IV of subchapter A of chap-
 25 ter 1 of the Internal Revenue Code of 1986 (relating to

1 credits against tax) is amended by adding at the end the
 2 following new subpart:

3 **“Subpart I—Nonrefundable Credit for Holders of**
 4 **Qualified High-Speed Rail Infrastructure Bonds**

“Sec. 54A. Credit to holders of qualified high-speed rail infrastructure bonds

5 **“SEC. 54A. CREDIT TO HOLDERS OF QUALIFIED HIGH-**
 6 **SPEED RAIL INFRASTRUCTURE BONDS.**

7 “(a) ALLOWANCE OF CREDIT.—In the case of a tax-
 8 payer who holds a qualified high-speed rail infrastructure
 9 bond on a credit allowance date of such bond which occurs
 10 during the taxable year, there shall be allowed as a credit
 11 against the tax imposed by this chapter for such taxable
 12 year an amount equal to the sum of the credits determined
 13 under subsection (b) with respect to credit allowance dates
 14 during such year on which the taxpayer holds such bond.

15 “(b) AMOUNT OF CREDIT.—

16 “(1) IN GENERAL.—The amount of the credit
 17 determined under this subsection with respect to any
 18 credit allowance date for a qualified high-speed rail
 19 infrastructure bond is 25 percent of the annual cred-
 20 it determined with respect to such bond.

21 “(2) ANNUAL CREDIT.—The annual credit de-
 22 termined with respect to any qualified high-speed
 23 rail infrastructure bond is the product of—

1 “(A) the applicable credit rate, multiplied
2 by

3 “(B) the outstanding face amount of the
4 bond.

5 “(3) APPLICABLE CREDIT RATE.—For purposes
6 of paragraph (2), the applicable credit rate with re-
7 spect to an issue is the rate equal to an average
8 market yield (as of the day before the date of sale
9 of the issue) on outstanding long-term corporate
10 debt obligations (determined under regulations pre-
11 scribed by the Secretary).

12 “(4) CREDIT ALLOWANCE DATE.—For purposes
13 of this section, the term ‘credit allowance date’
14 means—

15 “(A) March 15,

16 “(B) June 15,

17 “(C) September 15, and

18 “(D) December 15.

19 Such term includes the last day on which the bond
20 is outstanding.

21 “(5) SPECIAL RULE FOR ISSUANCE AND RE-
22 DEMPTION.—In the case of a bond which is issued
23 during the 3-month period ending on a credit allow-
24 ance date, the amount of the credit determined
25 under this subsection with respect to such credit al-

1 lowance date shall be a ratable portion of the credit
2 otherwise determined based on the portion of the 3-
3 month period during which the bond is outstanding.
4 A similar rule shall apply when the bond is re-
5 deemed.

6 “(c) LIMITATION BASED ON AMOUNT OF TAX.—

7 “(1) IN GENERAL.—The credit allowed under
8 subsection (a) for any taxable year shall not exceed
9 the excess of—

10 “(A) the sum of the regular tax liability
11 (as defined in section 26(b)) plus the tax im-
12 posed by section 55, over

13 “(B) the sum of the credits allowable
14 under this part (other than this subpart and
15 subpart C).

16 “(2) CARRYOVER OF UNUSED CREDIT.—If the
17 credit allowable under subsection (a) exceeds the
18 limitation imposed by paragraph (1) for such taxable
19 year, such excess shall be carried to the succeeding
20 taxable year and added to the credit allowable under
21 subsection (a) for such taxable year.

22 “(d) CREDIT INCLUDED IN GROSS INCOME.—Gross
23 income includes the amount of the credit allowed to the
24 taxpayer under this section (determined without regard to

1 subsection (c)) and the amount so included shall be treat-
2 ed as interest income.

3 “(e) QUALIFIED HIGH-SPEED RAIL INFRASTRUC-
4 TURE BOND.—For purposes of this part, the term ‘quali-
5 fied high-speed rail infrastructure bond’ means any bond
6 issued as part of an issue if—

7 “(1) the issuer certifies that the Secretary of
8 Transportation has designated the bond for purposes
9 of this section under section 26106(a) of title 49,
10 United States Code, as in effect on the date of the
11 enactment of this section,

12 “(2) 95 percent or more of the proceeds from
13 the sale of such issue are to be used for expenditures
14 incurred after the date of the enactment of this sec-
15 tion for any project described in section 26106(a)(2)
16 of title 49, United States Code,

17 “(3) the term of each bond which is part of
18 such issue does not exceed 20 years,

19 “(4) the payment of principal with respect to
20 such bond is the obligation solely of the issuer, and

21 “(5) the issue meets the requirements of sub-
22 section (f) (relating to arbitrage).

23 “(f) SPECIAL RULES RELATING TO ARBITRAGE.—

24 “(1) IN GENERAL.—Subject to paragraph (2),
25 an issue shall be treated as meeting the require-

ments of this subsection if as of the date of issuance, the issuer reasonably expects—

“(A) to spend at least 95 percent of the proceeds from the sale of the issue for 1 or more qualified projects within the 3-year period beginning on such date,

“(B) to incur a binding commitment with a third party to spend at least 10 percent of the proceeds from the sale of the issue, or to commence construction, with respect to such projects within the 6-month period beginning on such date, and

“(C) to proceed with due diligence to complete such projects and to spend the proceeds from the sale of the issue.

“(2) RULES REGARDING CONTINUING COMPLIANCE AFTER 3-YEAR DETERMINATION.—If at least 95 percent of the proceeds from the sale of the issue is not expended for 1 or more qualified projects within the 3-year period beginning on the date of issuance, but the requirements of paragraph (1) are otherwise met, an issue shall be treated as continuing to meet the requirements of this subsection if either—

1 “(A) the issuer uses all unspent proceeds
2 from the sale of the issue to redeem bonds of
3 the issue within 90 days after the end of such
4 3-year period, or

5 “(B) the following requirements are met:

6 “(i) The issuer spends at least 75 per-
7 cent of the proceeds from the sale of the
8 issue for 1 or more qualified projects with-
9 in the 3-year period beginning on the date
10 of issuance.

11 “(ii) Either—

12 “(I) the issuer spends at least 95
13 percent of the proceeds from the sale
14 of the issue for 1 or more qualified
15 projects within the 4-year period be-
16 ginning on the date of issuance, or

17 “(II) the issuer pays to the Fed-
18 eral Government any earnings on the
19 proceeds from the sale of the issue
20 that accrue after the end of the 3-year
21 period beginning on the date of
22 issuance and uses all unspent pro-
23 ceeds from the sale of the issue to re-
24 deem bonds of the issue within 90
25 days after the end of the 4-year pe-

1 riod beginning on the date of
2 issuance.

3 “(g) RECAPTURE OF PORTION OF CREDIT WHERE
4 CESSATION OF COMPLIANCE.—

5 “(1) IN GENERAL.—If any bond which when
6 issued purported to be a qualified high-speed rail in-
7 frastructure bond ceases to be such a qualified bond,
8 the issuer shall pay to the United States (at the
9 time required by the Secretary) an amount equal to
10 the sum of—

11 “(A) the aggregate of the credits allowable
12 under this section with respect to such bond
13 (determined without regard to subsection (c))
14 for taxable years ending during the calendar
15 year in which such cessation occurs and the 2
16 preceding calendar years, and

17 “(B) interest at the underpayment rate
18 under section 6621 on the amount determined
19 under subparagraph (A) for each calendar year
20 for the period beginning on the first day of
21 such calendar year.

22 “(2) FAILURE TO PAY.—If the issuer fails to
23 timely pay the amount required by paragraph (1)
24 with respect to such bond, the tax imposed by this
25 chapter on each holder of any such bond which is

1 part of such issue shall be increased (for the taxable
2 year of the holder in which such cessation occurs) by
3 the aggregate decrease in the credits allowed under
4 this section to such holder for taxable years begin-
5 ning in such 3 calendar years which would have re-
6 sulted solely from denying any credit under this sec-
7 tion with respect to such issue for such taxable
8 years.

9 “(3) SPECIAL RULES.—

10 “(A) TAX BENEFIT RULE.—The tax for
11 the taxable year shall be increased under para-
12 graph (2) only with respect to credits allowed
13 by reason of this section which were used to re-
14 duce tax liability. In the case of credits not so
15 used to reduce tax liability, the carryforwards
16 under subsection (c) shall be appropriately ad-
17 justed.

18 “(B) NO CREDITS AGAINST TAX.—Any in-
19 crease in tax under paragraph (2) shall not be
20 treated as a tax imposed by this chapter for
21 purposes of determining—

22 “(i) the amount of any credit allow-
23 able under this part, or

24 “(ii) the amount of the tax imposed
25 by section 55.

1 “(h) OTHER DEFINITIONS AND SPECIAL RULES.—

2 For purposes of this section—

3 “(1) BOND.—The term ‘bond’ includes any ob-
4 ligation.

5 “(2) QUALIFIED PROJECT.—The term ‘qualified
6 project’ means any project described in section
7 26106(a)(2) of title 49, United States Code.

8 “(3) TREATMENT OF CHANGES IN USE.—For
9 purposes of subsection (e)(2), the proceeds from the
10 sale of an issue shall not be treated as used for a
11 qualified project to the extent that the issuer takes
12 any action within its control which causes such pro-
13 ceeds not to be used for a qualified project. The Sec-
14 retary shall prescribe regulations specifying remedial
15 actions that may be taken (including conditions to
16 taking such remedial actions) to prevent an action
17 described in the preceding sentence from causing a
18 bond to fail to be a qualified high-speed rail infra-
19 structure bond.

20 “(4) PARTNERSHIP; S CORPORATION; AND
21 OTHER PASS-THRU ENTITIES.—Under regulations
22 prescribed by the Secretary, in the case of a partner-
23 ship, trust, S corporation, or other pass-thru entity,
24 rules similar to the rules of section 41(g) shall apply

1 with respect to the credit allowable under subsection
2 (a).

3 “(5) BONDS HELD BY REGULATED INVEST-
4 MENT COMPANIES.—If any qualified high-speed rail
5 infrastructure bond is held by a regulated invest-
6 ment company, the credit determined under sub-
7 section (a) shall be allowed to shareholders of such
8 company under procedures prescribed by the Sec-
9 retary.

10 “(6) REPORTING.—Issuers of qualified high-
11 speed rail infrastructure bonds shall submit reports
12 similar to the reports required under section
13 149(e).”.

14 (b) AMENDMENTS TO OTHER CODE SECTIONS.—

15 (1) REPORTING.—Subsection (d) of section
16 6049 of the Internal Revenue Code of 1986 (relating
17 to returns regarding payments of interest) is amend-
18 ed by adding at the end the following new para-
19 graph:

20 “(9) REPORTING OF CREDIT ON QUALIFIED
21 HIGH-SPEED RAIL INFRASTRUCTURE BONDS.—

22 “(A) IN GENERAL.—For purposes of sub-
23 section (a), the term ‘interest’ includes amounts
24 includible in gross income under section 54A(d)
25 and such amounts shall be treated as paid on

1 the credit allowance date (as defined in section
2 54A(b)(4)).

3 “(B) REPORTING TO CORPORATIONS,
4 ETC.—Except as otherwise provided in regula-
5 tions, in the case of any interest described in
6 subparagraph (A), subsection (b)(4) shall be
7 applied without regard to subparagraphs (A),
8 (H), (I), (J), (K), and (L)(i) of such subsection.

9 “(C) REGULATORY AUTHORITY.—The Sec-
10 retary may prescribe such regulations as are
11 necessary or appropriate to carry out the pur-
12 poses of this paragraph, including regulations
13 which require more frequent or more detailed
14 reporting.”.

15 (2) TREATMENT FOR ESTIMATED TAX PUR-
16 POSES.—

17 (A) INDIVIDUAL.—Section 6654 of such
18 Code (relating to failure by individual to pay es-
19 timated income tax) is amended by redesign-
20 ating subsection (m) as subsection (n) and by
21 inserting after subsection (l) the following new
22 subsection:

23 “(m) SPECIAL RULE FOR HOLDERS OF QUALIFIED
24 HIGH-SPEED RAIL INFRASTRUCTURE BONDS.—For pur-
25 poses of this section, the credit allowed by section 54A

1 to a taxpayer by reason of holding a qualified high-speed
 2 rail infrastructure bond on a credit allowance date shall
 3 be treated as if it were a payment of estimated tax made
 4 by the taxpayer on such date.”.

5 (B) CORPORATE.—Section 6655 of such
 6 Code (relating to failure by corporation to pay
 7 estimated income tax) is amended by adding at
 8 the end of subsection (g) the following new
 9 paragraph:

10 “(5) SPECIAL RULE FOR HOLDERS OF QUALI-
 11 FIED HIGH-SPEED RAIL INFRASTRUCTURE BONDS.—
 12 For purposes of this section, the credit allowed by
 13 section 54A to a taxpayer by reason of holding a
 14 qualified high-speed rail infrastructure bond on a
 15 credit allowance date shall be treated as if it were
 16 a payment of estimated tax made by the taxpayer on
 17 such date.”.

18 (c) CLERICAL AMENDMENTS.—

19 (1) The table of subparts for part IV of sub-
 20 chapter A of chapter 1 is amended by adding at the
 21 end the following new item:

“SUBPART I. NONREFUNDABLE CREDIT FOR HOLDERS OF QUALIFIED HIGH-
 SPEED RAIL INFRASTRUCTURE BONDS”.

22 (2) Section 6401(b)(1) is amended by striking
 23 “and H” and inserting “H, and I”.

1 (d) ISSUANCE OF REGULATIONS.—Not later than 6
 2 months after the date of the enactment of this section,
 3 the Secretary of the Treasury shall issue regulations for
 4 carrying out this section and the amendments made by
 5 this section.

6 (e) HIGH-SPEED INTERCITY RAIL FACILITIES.—

7 (1) REQUIREMENT TO MEET TITLE 49 RE-
 8 QUIREMENTS.—Section 142(i) of the Internal Rev-
 9 enue Code of 1986 is amended by adding at the end
 10 the following new paragraph:

11 “(4) ADDITIONAL REQUIREMENTS.—A bond
 12 issued as part of an issue described in subsection
 13 (a)(11) shall not be considered an exempt facility
 14 bond unless the requirements of paragraphs (1)
 15 through (6) of section 26106(a) of title 49, United
 16 States Code, are met.”.

17 (2) REVISION OF SPEED REQUIREMENT.—Sec-
 18 tion 142(i)(1) of such Code is amended by striking
 19 “150 miles per hour” and inserting “110 miles per
 20 hour”.

21 (f) EFFECTIVE DATE.—The amendments made by
 22 this section shall apply to obligations issued after the date
 23 of the enactment of this Act.

